

D.C. Office of the Tenant Advocate***Act 25-151, the “Rent Stabilized Housing Inflation Protection Emergency Amendment Act of 2023”:
Explanation of rent increase caps effective May 1, 2023, through June 30, 2025***

Earlier this year, District tenants who live in rent-controlled units learned that the caps on annual rent increases for “Rent Control Year 2023” (5/1/2023 to 4/30/2024) would be the *highest on record* -- 5% for elderly and disability tenants; 8.9% for all others.

On Tuesday June 6th, 2023, the D.C. Council approved emergency legislation that will lower those caps to 4% and 6%, respectively. These lower caps will be in effect for two years starting on July 1, 2023, through June 30, 2025.

Act 25-151, the “Rent Stabilized Housing Inflation Protection Emergency Amendment Act of 2023,” also does the following.

Cumulative 2-year caps

The measure is *not* retroactive to May 1st, meaning that tenants who received a higher increase effective May or June will have to continue to pay that increased amount until the next rent increase. However, there is some inflation protection for these tenants. That is because the measure also includes a *cumulative* cap on annual rent increases for the 2-year period starting on May 1, 2023, and ending on April 30, 2025. The cumulative 2-year cap is 8% for elderly and disability tenants, and 12% for all other tenants.

So, for example, if a tenant has received an 8.9% rent increase effective in May or June, the 2024 rent increase can be no greater than **3.1% (per the 12% cumulative cap)**. If an elderly or disability tenant has received a 5% rent increase effective in May or June, the 2024 rent increase can be no greater than **3% (per the 8% cumulative cap)**.

Shortened re-notice period

If necessary to comply with the lower caps, the housing provider may deliver to the tenant a *revised rent increase notice* that is *less* than the normally required 30 days. This applies to situations where the housing provider has already issued a notice of rent increase; it takes effect on or after July 1st; and the amount of the rent increase in the first notice exceeds the new annual cap of 6% or 4% (whichever applies).

Refunds per tenant over-payment

If the tenant has over-paid rent due to a rent increase notice issued before the effective date of the Act and that is effective on or after July 1, 2023, the housing provider must **refund** the difference **within 30 days**, or by August 1, 2023, whichever is later.

OTA can help! If you have any questions or concerns about your rent increase, please contact the OTA at 202-719-6560.

Illustrative Example Scenarios

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Examples: Rent increase effective before July 1, 2023

Non-elderly / non-disability Tenant A: Tenant A, who is not an elderly tenant or a tenant with a disability, received a 30-day rent increase notice for the maximum allowed 8.9% increase effective May 1. Because the rent increase was effective before July 1, this is a valid rent increase for Tenant A through Rent Control Year 2023 (May 1, 2023 – April 30, 2024). Because of the cumulative two-year cap of 12%, Tenant A's landlord cannot raise Tenant A's rent by more than 3.1% ($12\% - 8.9\% = 3.1\%$) in Rent Control Year 2024 (May 1, 2024 – April 30, 2025).

Elderly / disability Tenant B: Tenant B, who is an elderly tenant or a tenant with a disability, received a 30-day rent increase notice for the maximum allowed 5% increase effective May 1. Because the rent increase was effective before July 1, this is a valid rent increase for Tenant B through Rent Control Year 2023 (May 1, 2023 – April 30, 2024). Because of the cumulative two-year cap of 8%, Tenant B's landlord cannot raise Tenant B's rent by more than 3% ($8\% - 5\% = 3\%$) in Rent Control Year 2024 (May 1, 2024 – April 30, 2025).

Examples: Rent increase effective on or after July 1, 2023

Non-elderly / non-disability Tenant C receives revised notice timely: Tenant C, who is not an elderly tenant or a tenant with a disability, received a 30-day notice of an 8.9% rent increase to be effective July 1. This rent increase is not valid because it is effective on or after July 1, at which time the cap will be 6%. Tenant C's landlord gives Tenant C a new rent increase notice on June 20 that reflects no more than a 6% increase. Despite the standard 30-day notice requirement, the 10-day notice is valid under these special circumstances. The following year, Tenant C's landlord may increase the rent by no more than 6% due to the cumulative two-year cap of 12%.

Elderly / disability Tenant D does not receive revised notice timely: Tenant D, who is an elderly tenant or a tenant with a disability, received a 30-day notice of an 5% rent increase to be effective July 1. The rent increase is not valid because it is effective on or after July 1, at which time the cap becomes 4%. However, Tenant D's landlord fails to provide a new rent increase notice reflecting maximum 4% increase. Tenant D is not aware of the new rent caps and therefore overpays rent on July 1 by paying the 5% increase. In this scenario, Tenant D is entitled to a refund of the difference between the allowable rent and the rent that was actually paid. The landlord must provide this refund within 30 days or by August 1, 2023, whichever is later.